

AMENDED IN SENATE JULY 2, 2009
AMENDED IN ASSEMBLY JUNE 1, 2009

CALIFORNIA LEGISLATURE—2009—10 REGULAR SESSION

ASSEMBLY BILL

No. 1320

Introduced by Assembly Member Fong
(Coauthor: Assembly Member Fuentes)

February 27, 2009

An act to add Chapter 6 (commencing with Section 14550) to Division 7 of the Unemployment Insurance Code, relating to workforce development.

LEGISLATIVE COUNSEL'S DIGEST

AB 1320, as amended, Fong. Workforce development: ~~lifelong learning pilot program.~~ *Lifelong Learning Accounts Initiative Program.*

The federal Workforce Investment Act of 1998 provides for workforce investment activities, including activities in which states may participate. Existing law, the California Workforce Investment Act, establishes the California Workforce Investment Board, as prescribed, and requires the board to assist the Governor in performing specified duties relating to the development, implementation, and promotion of various workforce development activities, job training, and employment investment, including work incentive programs, as specified. *Existing law authorizes the Employment Development Department to administer the state unemployment insurance and the disability compensation programs.*

This bill would, beginning January 1, 2012, create the Lifelong Learning Accounts ~~Pilot Initiative~~ Program, for the purpose of providing grants to employers and employees to be used to establish individual

lifelong learning accounts, as defined, for the deposit of funds to be used by those employees and employers for purposes related to lifelong education and training. The bill would require the ~~board~~ department to establish a grant program and implement and administer the program, as specified. The bill would require the ~~board~~ department to prepare and submit a report to specified legislative fiscal and policy committees, evaluating the effectiveness of the program, as prescribed. The bill would provide that its provisions shall only be implemented if the Director of Finance makes a written determination that there are sufficient funds from sources other than the General Fund available for that purpose.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Chapter 6 (commencing with Section 14550) is
2 added to Division 7 of the Unemployment Insurance Code, to read:

3
4 CHAPTER 6. LIFELONG LEARNING ACCOUNTS ~~PILOT~~ INITIATIVE
5 PROGRAM
6

7 14550. The Lifelong Learning Accounts ~~Pilot Initiative~~
8 Program is hereby created in the department for the purpose of
9 providing grants to employers and employees to be used to
10 establish individual lifelong learning accounts for the deposit of
11 funds to be used by those employers and employees for purposes
12 related to lifelong education and training.

13 14550.1. For purposes of this chapter, the following terms have
14 the following meanings:

15 (a) ~~“Board” means the California Workforce Investment Board.~~

16 (a) “Department” means the California Employment
17 Development Department.

18 (b) “Employee” means a California resident who works at least
19 20 hours or more a week, on average, for an employer in this state.

20 (c) “Employer” means a person, partnership, corporation, limited
21 partnership, or limited liability company that retains at least one
22 eligible employee for six months.

1 (d) “Grant funds” means any award, donation, or gift from an
2 individual, foundation, business, or any assistance provided to this
3 state by the federal government.

4 (e) “Lifelong Learning Account” means an account held by a
5 trustee, custodian, fiduciary, or other person approved by the
6 department to be used for the deposit of funds to pay for qualified
7 expenses such as fees, tuition, or other materials relating to ~~job~~
8 *career* training and education.

9 (f) “Match” means moneys that will be supplied in an amount
10 *equal up* to the total contributed by the employee and employer.

11 (g) “Qualified expense” means “qualified higher education
12 expenses” as defined in Section 529(e) of the Internal Revenue
13 Code.

14 14550.2. (a) ~~The board~~ *department* shall establish a grant
15 program to provide grants to employees and employers to
16 encourage those employees and employers to save for lifelong
17 education and training. Under this program, an employee shall be
18 eligible to receive a grant fund match of up to 50 percent of the
19 first five hundred dollars (\$500) that the employee contributes into
20 his or her Lifelong Learning Account for a maximum amount not
21 to exceed two hundred fifty dollars (\$250). An employee may also
22 be eligible for a match of up to 50 percent of the first five hundred
23 dollars (\$500) contributed, on the employee’s behalf, by his or her
24 employer, for a maximum not to exceed two hundred fifty dollars
25 (\$250). The maximum total amount of the grant fund match that
26 could be received by an individual employee, during a single tax
27 year, is five hundred dollars (\$500). *Matching funds will be*
28 *available based upon the determination by the department that*
29 *there are sufficient funds to cover program costs.*

30 (b) ~~The board~~ *department* may contract with an individual,
31 nonprofit organization, or other business to administer and
32 implement the grant program.

33 (c) Any employer or employee who enters into an agreement
34 with ~~the board~~ *department* under this program may designate the
35 account established, pursuant to the agreement, as a Lifelong
36 Learning Account. ~~The board~~ *department* shall ensure that the
37 grant program complies with the applicable requirements of Article
38 19 (commencing with Section 69980) of Chapter 2 of Division 5
39 of Part 42 of the Education Code.

(d) The ~~board~~ department shall make education and career advising and other support services available to employees under the program, and shall provide technical assistance to employers to implement the grant program. The ~~board~~ department may use grant funds to offset the costs of support services, technical assistance, and program administration. *The department may limit the number of available accounts based upon the amount of grant funds received.*

(e) There shall be established in the State Treasury, a Lifelong Learning Program Fund to receive contributions from individuals, foundations, nonprofit organization businesses, and the federal government to be used for the program.

(f) The ~~board~~ department shall prepare and submit a report to the Assembly Committee on Budget and the Senate Committee on Budget and Fiscal Review, and the appropriate legislative policy committees evaluating the effectiveness of this chapter. The report shall be submitted to those committees at least 20 days prior to the date that the Legislature convenes the second year of the 2011–12 Regular Session.

(g) The ~~board~~ department shall, after consultation with the Treasurer and the Scholarshare Investment Board, adopt rules and regulations that are necessary or appropriate to ensure the proper implementation and administration of the program.

14550.3. This chapter shall become operative on January 1, 2012.

14550.4. The Lifelong Learning Accounts ~~Pilot Initiative~~ Program shall only be implemented if the Director of Finance makes a written determination that there are sufficient funds available from sources other than the General Fund for that purpose.